



BILLING CODE: 4810-AM-P

BUREAU OF CONSUMER FINANCIAL PROTECTION

[Docket No.: CFPB-2013-0036]

Request for Information Regarding the Mortgage Closing Process

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Notice and request for information.

SUMMARY: This notice requests information from the public about mortgage closing. Specifically, the Consumer Financial Protection Bureau (CFPB) seeks information on key consumer “pain points” associated with mortgage closing and how those pain points might be addressed by market innovations and technology.

The CFPB seeks to encourage the development of a more streamlined, efficient, and educational closing process as the mortgage industry increases its usage of technology, electronic signatures, and paperless processes. The next phase of CFPB’s *Know Before You Owe* initiative aims to identify ways to improve the mortgage closing process for consumers. This project will encourage interventions that increase consumer knowledge, understanding, and confidence at closing.

This notice seeks information from market participants, consumers, and other stakeholders who work closely with consumers. The information will inform the CFPB’s understanding of what consumers find most problematic about the current closing process and inform the CFPB’s vision for an improved closing experience.

DATES: Submit comments on or before February 7, 2014.

ADDRESSES: You may submit responsive information and other comments, identified by Docket No. CFPB-2013-0036, by any of the following methods:

- *Electronic:* <http://www.regulations.gov>. Follow the instructions for submitting comments.
- *Mail/Hand Delivery/Courier:* Monica Jackson, Office of the Executive Secretary, Consumer Financial Protection Bureau, 1700 G Street NW, Washington, DC 20552.

Instructions: The Bureau encourages the early submission of comments. All submissions must include the document title and docket number. Because paper mail in the Washington, DC area and at the Bureau is subject to delay, commenters are encouraged to submit comments electronically. Please note the number associated with any question to which you are responding at the top of each response (you are not required to answer all questions to receive consideration of your comments). In general, all comments received will be posted without change to <http://www.regulations.gov>. In addition, comments will be available for public inspection and copying at 1700 G Street NW., Washington, DC 20552, on official business days between the hours of 10 a.m. and 5 p.m. Eastern Time. You can make an appointment to inspect the documents by telephoning 202-435-7275.

All submissions, including attachments and other supporting materials, will become part of the public record and subject to public disclosure. Sensitive personal information, such as account numbers or Social Security numbers, should not be included. Submissions will not be edited to remove any identifying or contact information.

FOR FURTHER INFORMATION CONTACT: For general inquiries, submission process questions or any additional information, please contact Monica Jackson, Office of Executive Secretary, at 202-435-7275.

AUTHORITY: 12 U.S.C. 5511(c).

SUPPLEMENTARY INFORMATION: Buying a home is often a consumer's single largest financial purchase. According to the latest numbers from the National Association of Realtors, the median price of homes purchased in the United States is now \$207,000. By comparison, the median household income is about \$51,000, according to the Census Bureau. It is crucial that consumers consider the numbers carefully before making this potentially long-term commitment, and closing is often their last opportunity to do so.

However, closing can be stressful and confusing for consumers. The CFPB plans to conduct several initiatives in order to test and study various ways in which the closing process might be improved. This information will help inform those initiatives.

The Bureau encourages comments from the public, including:

- Consumers;
- Mortgage lenders and loan servicers;
- Housing finance professionals;
- Brokers and service providers in the residential real estate industry;
- Real estate agents;
- Housing attorneys;
- Fair lending, civil rights, and consumer and community advocates;
- Providers of financial and housing counseling;
- Settlement closing agents; and

- Other interested parties.

The Bureau is interested in responses in the following general areas, as well as specific questions below. Please feel free to respond to any of the questions outlined below.

Consumers and Closing

1. What are common problems or issues consumers face at closing? What parts of the closing process do consumers find confusing or overwhelming?
2. Are there specific parts of the closing process that borrowers find particularly helpful?
3. What do consumers remember about closing as related to the overall mortgage/home-buying process? What do consumers remember about closing
4. How long does the closing process usually take? Do borrowers feel that the time at the closing table was an appropriate amount of time? Is it too long? Too short? Just right?
5. How empowered do consumers seem to feel at closing? Did they come to closing with questions? Did they review the forms beforehand? Did they know that they can request their documents in advance? Did they negotiate?
6. What, if anything, have you found helps consumers understand the terms of the loan?

Errors and Changes at Closing

7. What are some common errors you have seen at closing? How are these errors detected, if at all? Tell us about errors that were detected after closing.
8. What changes, diverging from what was originally presented at closing, often surprise consumers at closing? How do consumers react to changes at closing?

Other Parties at Closing

9. How, if at all, do consumers typically seek advice during closing? In person? By phone?
Online?

10. Where and to whom do consumers turn for advice during closing? Whom do they
typically trust?

Closing Documents

11. What documents do borrowers usually remember seeing? What documents they
remember signing?

12. What documents do consumers find particularly confusing?

13. What resources do borrowers use to define unfamiliar terms of the loan?

Improving Closing

14. What, if anything, would you change about the closing process to make it a better
experience for consumers?

15. What questions should consumers ask at closing? What are the most important pieces of
information/documents for them to review?

16. What is the single most important question a consumer should ask at closing?

17. What is the single most important thing a consumer should do before coming to the
closing table?

Dated: December 13, 2013.

Christopher D'Angelo

Chief of Staff, Bureau of Consumer Financial Protection.

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